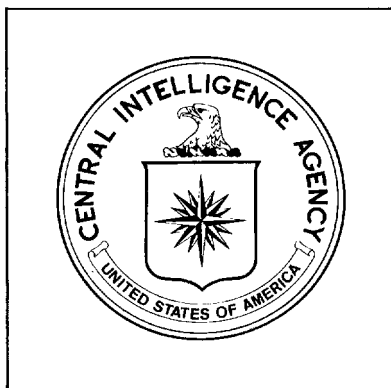


~~PM~~
SOWIC

WE
Secret
No Foreign Dissem



STAFF NOTES:

Western Europe Canada International Organizations

Secret

No. 0250-75
August 19, 1975

113

Approved For Release 2002/01/10 : CIA-RDP79T00865A001600070002-7

NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM

Warning Notice
Sensitive Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

Classified by 010725
Exempt from general declassification schedule
of E.O. 11652, exemption category:
§ 5B(1), (2), and (3)
Automatically declassified on:
Date Impossible to Determine

Approved For Release 2002/01/10 : CIA-RDP79T00865A001600070002-7

~~SECRET~~

WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

C O N T E N T S

Bonn Sees Serious Difficulties in Resuming Oil Producer-Consumer Conference	1
--	---

August 19, 1975

~~SECRET~~

25X1A

Bonn Sees Serious Difficulties in Resuming
Oil Producer-Consumer Conference

1 | Bonn is uncertain about what steps the
2 | western industrial nations should take to
3 | ensure resumption of the conference between
oil producers and consumers this fall. West
German officials have concluded that disagreements
over the conference format and the solidarity
of developing nations and the oil producers on
raw materials policy will hamper efforts
to arrange the conference.

25X1C

1 | [REDACTED] that
Bonn's pessimism is partly a result of the
Schmidt government's reluctance to modify
its policies on raw materials and relations
with developing states. Given its deeply
engrained belief in the benefits of the
free market system, Bonn takes a negative
view of commodity agreements and opposes
the indexation of oil prices to manufactured
goods. Government leaders are also concerned
that any significant rise in prices would at
a minimum, delay an economic upswing in West
Germany and cost them votes in next year's
national elections.

2 | Foreign Office State Secretary Wischnewski
3 | who headed a recent fact-finding mission
to several oil producing and developing
countries indicated that Bonn is willing
to consider various schemes to use the International
Monetary Fund's gold reserves to help stabilize
export earnings of raw materials producers.
The reaction was generally lukewarm and
Wischnewski detected no serious rift between
the oil producers and the developing countries.

August 19, 1975

~~SECRET~~

1 West German officials are considering
ways to avoid an open confrontation and
are reportedly considering a proposal to
4 institutionalize the conference, perhaps
3 by creating a permanent secretariat, in
order to reduce pressures for rapid progress.

1 These officials fear that continued
dialogue may be undermined by opposition
to Washington's proposal to allow only 15
nations to be represented in each of the
three commissions proposed for the conference
and the disagreement between Saudi Arabia
and the US on the need for a fourth commission
on monetary issues.

2 Bonn has endorsed a scenario for reconvening
the conference presented by the US to the
International Energy Agency last month. But
a senior Foreign Ministry official has also
indicated that Chancellor Schmidt is "well-
disposed" to the idea of a separate monetary
commission desired by the Saudis. West
German officials have always had a strong
interest in discussing the "petrodollar" issue
3 directly with the oil producers, and Bonn
is inclined to be flexible on this question
in order to preserve the chances for a conference
this fall. (Secret No Foreign Dissem/No Dissem
Abroad/Background Use Only/ Controlled Dissem)

25X1A

August 19, 1975

~~SECRET~~

Approved For Release 2002/01/10 : CIA-RDP79T00865A001600070002-7
Secret

Secret

Approved For Release 2002/01/10 : CIA-RDP79T00865A001600070002-7